

# Karelian Diamond Resources plc

## Notice of Annual General Meeting

(Registered in Ireland No. 382499)

NOTICE is hereby given that the Annual General Meeting of Karelian Diamond Resources plc (the "Company") will be held at the Conrad Dublin, Earlsfort Terrace, Dublin 2 on Thursday 21st December 2017 at 12 noon for the purposes of transacting the following business:

- 1 To review the affairs of the Company and to receive and consider the Financial Statements for the year ended 31 May 2017 together with the Directors' and Independent Auditor's Reports thereon (Resolution No. 1).
- 2 To re-elect as Director Dr Sorca Conroy
- 3 To authorise the Directors to fix the remuneration of the Auditors (Resolution No. 3).
- 4 To consider and, if thought fit, pass the following resolution as a Special Resolution (Resolution No. 4):  
THAT all of the Ordinary Shares of €0.00001 each in the capital of the Company, whether issued or unissued be and are hereby consolidated into New Ordinary Shares of €0.00025 each in the capital of the Company ("**Consolidated Shares**") on the basis of one Consolidated Share for every 25 existing Ordinary Shares. All Consolidated Shares held in fractions as a result of such consolidation shall be aggregated and sold pursuant to the Company's Articles of Association.
- 5 To consider and, if thought fit, pass the following resolution as a Special Resolution (Resolution No. 5):  
THAT subject to, and with effect from the consolidation referred to in Resolution No. 4, Article 2(A) of the Articles of Association of the Company shall be replaced with the following new Article 2 (A):  
*"2 (A) The authorised share capital of the Company is €5,000,000 divided into 7,301,310,041 ordinary shares of €0.00025 each ("ordinary shares") and 317,785,034 deferred shares of €0.00999 each ("Deferred Shares"), (of which at the date of adoption of this Article 2 (A), 23,378,076 ordinary shares and 317,785,034 Deferred Shares are in issue and credited as fully paid)."*
- 6 To consider and, if thought fit, pass the following resolution as a Special Resolution (Resolution No. 6):  
"That subject to and with effect from the consolidation referred to in Resolution No. 4, Clause 5 of the Memorandum of Association be amended to read as follows:  
*"The capital of the Company is €5,000,000 divided into 7,301,310,041 ordinary shares of €0.00025 each and 317,785,034 deferred shares of €0.00999 each, with power to divide the shares in the original or any increased capital into several classes, and to attach thereto respectively, any preferential, qualified, special or deferred rights, privileges, and conditions, and with a special or without any right of voting."*
- 7 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution (Resolution No. 7):  
"That the directors of the Company be generally and unconditionally authorised to allot and issue relevant securities (as defined by Section 1021 of the Companies Act, 2014) up to a maximum of the amount of the authorised but as yet unissued share capital of the Company at the close of business on the date of the passing of this resolution, provided however, that any shares which have been re-purchased shall be deemed never to have been issued for the purpose of calculating the maximum amount of shares which may be issued. The authority hereby conferred shall expire in five years less one day from the date of this Annual General Meeting unless previously renewed, varied or revoked by the Company in general meeting. The Company may make any offer or agreement before expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that the authority hereby conferred has expired."
- 8 To consider and, if thought fit, pass the following resolution as a Special Resolution (Resolution No. 8):  
"That, for the purposes of Sections 1022 and 1023 of the Companies Act, 2014 and subject to the Directors being authorised pursuant to Section 1021 of the Companies Act, 2014, the Directors be empowered to allot equity securities for cash as if subsection 1 of Section 1022 did not apply to the allotment. The authority hereby conferred shall expire at the close of business on the date of the next Annual General Meeting of the Company unless previously revoked or renewed in accordance with the provisions of the Companies Act, 2014."

### By Order of the Board

Dated this 28th day of November 2017

**James P Jones F.C.A.**

Secretary

### Registered Office

3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland

# Notice of Annual General Meeting (*continued*)

## Notes

*The holders of the Ordinary Shares are entitled to attend and vote at the above Annual general meeting of the Company. A holder of Ordinary Shares may appoint a proxy or proxies to attend, speak and vote instead of him/her. A proxy need not be a member of the Company.*

*A Form of Proxy is enclosed for use by shareholders unable to attend the meeting. Proxies to be valid must be lodged with the Company's Registrars, Link Asset Services Link Registrars Limited, 2 Grand Canal Square, Dublin 2, D02 A342 not less than 48 hours before the time appointed for the holding of the meeting. If Shareholders attend the meeting, they may vote in person even if they have returned a form of proxy.*

*Pursuant to Sections 1095 and 1105 of the Act and regulation 14 of the Companies Act, 1990 (Uncertified Securities) Regulations 1996, the Company hereby specifies that only those shareholders registered in the Register of Members on 19 December 2017 at 6.00pm shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time.*

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland (EUI)'s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's Registrar, Link Asset Services, Link Registrars Limited, as issuer's agent (CREST Participant ID 7RA08), by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

Completing and returning the Form of Proxy does not preclude a member from attending and voting at the meeting should he/she so wish.

To appoint a proxy electronically log onto the website of the Company Registrar, [www.signalshares.com](http://www.signalshares.com) entering the company name Karelian Diamond Resources plc. You will need to register for signal share by clicking on 'registration section' (if you have not registered previously) and then follow the instructions thereon. Shareholders will require their Shareholder Investor Code (IVC) as printed on the face of the accompanying Form of Proxy. Full details of the procedures, including voting instructions are given on the website.